

## **808 KAR 5:040. Retention of records; examination.**

RELATES TO: KRS Chapter 286.7

STATUTORY AUTHORITY: KRS 286.7-530

NECESSITY, FUNCTION, AND CONFORMITY: To promote the proper conduct of business by an industrial loan certificate holder and to further insure effective examination by the executive director or his representatives.

Section 1. Every certificate holder shall keep and maintain the following books and accounting records:

(1) "Loan register" or its equivalent record, which shall be the book of original entry and permanent record and shall properly identify each account by number, date of loan and amount of loan.

(2) An individual account ledger or card with borrowers which shall show the name and address of the borrower, the loan number, the amount and date of the loan and of its maturity, rate of interest, terms of repayment, and nature of the security, if any, for the loan and the dates of receipt and payment of recording fees together with the amount.

(a) The account ledger or card shall provide separate columns for payments of principal and shall be kept in such manner as to show clearly the balance due on principal. All payments of principal shall be credited promptly upon account ledger or cards.

(b) Loan or payment cards for industrial loans and sales finance contracts shall be maintained in separate files at all times.

(c) If any error should be made on the individual account ledger or card, appropriate correction should be made without erasures.

(3) An appropriate filing system, which shall contain all the current evidences of indebtedness or security which have been signed by the borrower.

(4) An individual index record shall be maintained for every endorser, accommodation comaker, or surety, except a spouse listed on the record of the borrower. The above office record shall be made available for examination upon request by the Executive Director of the Office of Financial Institutions or his representatives.

(5) In lieu of the books and records described in Section 1(1), (2), and (4) of this administrative regulation, the certificate holder may, with the prior written approval of the executive director, maintain such required information with electronic data processing equipment. Such required information shall be readily accessible and retrievable; its form and content shall be consistent with the information available from the books and records described in Section 1(1), (2), and (4) of this administrative regulation. (1 Ky.R. 888; Am. 1391; eff. 6-11-75; 9 Ky.R. 965; eff. 3-2-83; TAm eff. 4-21-2007.)